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Comptroller

15 September 1954

Chief, Finance Division

Proposed Regulation - Losses or Overages in Fund Accountability

1. In accordance with an informal request from the Technical Accounting Staff, the attached file on the subject has been reviewed and comments are furnished as follows.

2. As you know, I am in complete sympathy with and completely support the objective which has prompted the establishment of the Board of Review for Shortages and Losses and feel very strongly that Agency regulations require refinement and clarification in this regard, especially with reference to the general criteria to be used as a guide in considering these cases, and more importantly, as regards the actions to be taken and reports to be rendered at the field level.

3. As a matter of practice to date, it appears that it is the desire of the Deputy Director (Administration) that the Board will review and recommend on all cases involving inability to account for official funds, and that its actions will not be limited to those cases wherein official custodians having general authority and disbursing responsibility for official funds held by stations, projects and other units, are determined to be short in their funds. If such is the case, it appears that the proposed regulation should be expanded to clearly set forth the criteria to be applied and the detail to be reported in cases of inability to account for funds separately and apart from physical shortages in funds held by general custodians. Clarity with respect to this category of cases seems to be especially important in view of the provisions of Agency regulations with respect to certifications in lieu of accountings in certain instances, and the fact that a substantial majority of recommendations for relief involves such cases.

4. In summary, it is my opinion that consideration should be given to enlarging the proposed regulation to

- a. Define more clearly the type cases which are to be included in its scope.
- b. Differentiate between cases of shortages involving general custodians and cases involving inability to account for advances granted for specific purposes and provide appropriate criteria to be considered in reporting on each.

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